

October 19, 2007

Maine Milk Commission Special Meeting Minutes  
Deering Building, Room 233  
Augusta, Maine 04333

Notices for the October 19, 2007 meeting were distributed to Commission members, intervenors and other interested parties September 21, 2007 and sent to the Secretary of State's Office for posting on September 21, 2007.

**Commission Present:** Katherine O. Musgrave John Joseph Jr., and Colon Durrell.

**Commission Absent:** Chair, Michael Wiers and Commissioner *ex-officio*.

**Department Officials:** None

**Staff Present:** Stan Millay, Executive Director, and Carol Gauthier, Office Associate and Audrey Shorty, Resource Administrator.

**Legal Counsel:** Amy Mills, Assistant Attorney General not present.

**Intervenors Present:** John Blake, H.P. Hood, Inc., Tom Brigham Oakhurst Dairy, John Economy, Garelick Farms of Maine and Julie-Marie Bickford Executive Director, Maine Dairy Industry Association (MDIA)

**Others Present:** Fred and Ruby Hardy, MDIA and Lisa Bragg from the University of Maine.

Meeting called to order at 1:35 p.m. by acting chair, Colon Durrell.

**Agenda Item 1: Minutes:** Katherine Musgrave made a motion to accept the minutes of the September 21, 2007 meeting as presented. John Joseph seconded. Motion passed 3-0.

**Agenda Item 2: Amy Mills, Assistant Attorney General:** No Report.

**Agenda Item 3: Minimum Prices:** Stan Millay reported that there is a prevailing premium of \$1.10/cwt on Class I for November 2007 reported by Dairy Marketing Services (DMS) and Agri-Mark Cooperative. In addition to this premium, both Agri-Mark and DMS reported that an additional \$0.75/cwt for milk that comes from producers who do not treat their cows with the rBST hormone will be in affect. Federal Order One Class I price for November is \$24.70. He explained that the schedule was prepared using this information with a producer cost of production adjustment (COPA) of \$0.71/cwt. that was in effect with October prices. He stated that this price schedule was for discussion purposes and that the Commission was not bound to it, and should make their pricing determination after hearing testimony.

John Joseph made a motion to adopt schedule #11-07 that includes a producer cost of production adjustment of \$0.71/cwt. with a \$24.70/cwt. Class I Price as announced by Federal Northeast Milk Market Administrator, plus \$1.85/cwt. as prevailing in neighboring states, plus \$0.00/cwt. for a handling fee and plus a \$0.20/cwt. processor assessment, for a total dealer Class I cost of \$27.46/cwt. Katherine Musgrave seconded.

Julie-Marie Bickford gave copies of news clippings to the Commission that would be of general interest to people involved in the dairy industry.

Motion passed 3-0.

**Agenda Item 4: Maine Monthly Price Survey:** The Commission reviewed the Maine price survey for October 2007 which included prices for Augusta and Bangor. The IAMCA milk price survey for September was not available.

**Agenda Item 5: Next Scheduled Meetings:**

- November 26, 2007, Monday 9:00 a.m.  
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME
- December 21, 2007, Friday 1:30 p.m.  
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME
- January 15, 2008, Tuesday 10:30 a.m. Agriculture Trade Show, Augusta Civic Center
- January 18, 2008, Friday 1:30 p.m.  
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME
- February 22, 2008, Friday 1:30 p.m.  
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME
- March 21, 2007, Friday 1:30 p.m.  
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME

**NOTE:** The November meeting is changed to Monday the 26<sup>th</sup> because the advanced prices for December will not be released until after 2:00 p.m. on the 23<sup>rd</sup> because of the Thanksgiving holiday.

**Agenda Item 6: Other:**

1. **Milk Commission Budget:** The Commission reviewed the latest budget summary.
2. **Retail Margins:** Lisa Bragg provided the Commission with an overview of how new retail margins are being developed. She reported that a summary of the results would be available at the next meeting.
3. **Cost of Production Study:** Lisa Bragg outlined a proposed cost of production study. Producer survey forms were provided to the Commission along with a draft cooperative agreement that placed the cost of the study at \$33,136. Julie Marie Bickford agreed to review the survey from a producer perspective and comment back to Commission. The survey will be ready for mailing the first part of 2008 to correspond with tax time for most producers. The University will collect the data and a cost of production will be determined from the information. Data verification will be done using a number of methods similar to those used in the past to be sure that the final costs of production are as reliable as possible. John Joseph made a motion to proceed with the cooperative agreement with the University in order to carry out a cost of production study in accordance with statutory requirements. Katherine Musgrave seconded the motion. Motion passed 3-0.

**Agenda Item 7: Executive Session:** The Commission did not go into Executive Session.

**Adjourned:** 1:55 p.m. (20 minutes) Stanley Millay, Executive Director, Maine Milk Commission.